BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

NOTICE OF MARKET-DOMINANT PRICE ADJUSTMENT	Docket No. R2017-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO QUESTIONS 2, AND 6-9 OF
CHAIRMAN'S INFORMATION REQUEST NO. 5
(October 31, 2016)

The Postal Service hereby files its responses to the above-listed questions

of Chairman's Information Request (CHIR) No. 5, issued on October 27, 2016.

Each question is stated verbatim and followed by the response. The response to

question 1 was filed on October 28, 2016, and the responses to Questions 3, 4,

and 5 are still being prepared.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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2. This question concerns the Postal Service's proposed addition to the terms and conditions of "Postage and Fee Payment." Notice, Attachment A at 131.

   a. Please describe the reason(s) for the proposed addition.

   b. In what situations would the postage due be unable to be determined?

   c. Over what period would the average of postage previously paid be calculated?

   d. How would postage price increases, if applicable, factor into the calculation of the average of postage previously paid?

RESPONSE:

   a-b.   The Postal Service proposed adding the language to cover atypical situations in which the postage due cannot be determined exactly, for example, when electronic documentation is found to contain insufficient information for some pieces in a mailing after it has been entered into the mailstream. *See* United States Postal Service Notice of Market Dominant Price Adjustment, Docket No. R2017-1 (Oct. 12, 2016), at 58.

   c.   The average of postage previously paid would be calculated using the per-piece rate paid by the mailer for the mail class over a one month period; either the current month, or if the mailer had not mailed that mail class in the current month, the prior month. If the mailer had not mailed that mail class in either the current month or the prior month, the per-piece rate paid by all mailers for the mail class in the current month would be used.

d.   Postage price changes would not be factored into the calculation of the

average of postage previously paid unless the new prices were in

effect during the period used to determine the average postage

previously paid.

6. Please refer to the proposed footnote 1 to the permit price table for Business Reply Mail (MCS section 1505.3.2).

    a. Please confirm that this footnote eliminates permit fees for Qualified Business Reply Mail customers and retains permit fees only for customers who would otherwise require a permit for Regular or Bulk Weight Business Reply Mail.

    b. Please explain the use of the term "parcel-shaped Business Reply Mail" in this context.

    c. Please explain how these changes are accounted for in the provided workpapers and if applicable, provide revised workpapers.

RESPONSE:

    a-b. Confirmed. But the permit fee would not apply if the Regular or Bulk Weight Averaged permit holder receives only parcel-shaped Business Reply Mail.

    c. Please see CAPCALC-SpecServ-R2017-1 Rev 10-17.xlsx, Tab "G-2 Business Reply Mail", notes starting at cell B81.

7. Please refer to the proposed MCS changes to sections 1520 and 1550,
regarding Caller Services and Post Office Box Service. Each of these
sections contains proposed footnote 1 referencing the Enterprise PO Box
Online system.

    a. Please confirm that these changes are intended to allow system users to,
on a one-time basis, prorate their payments to synchronize their payment
schedules.

    b. Please explain any reason(s) why this convenience is limited to users of
the Enterprise PO Box Online System.

RESPONSE:

    a. Confirmed. *See* Notice at 58.

    b. The recent enhancements to the Enterprise PO Boxes Online (EPOBOL)
system are part of a multi-phased initiative to upgrade online payment and
account management systems for all Post Office Box Service and Caller
Service customers. The Postal Service recently upgraded EPOBOL, its
payment architecture for business customers, replacing the previous
product-based payment system with a centralized account management
system enabling commercial customers to open, close, pay for, and
manage multiple Post Office Boxes and Caller Service numbers online
with a single account. *See* Enterprise Payment System and Enterprise
PO Boxes Online, 81 Fed. Reg. 67171 (Sept. 30, 2016). To use
EPOBOL, the customer must have an Enterprise Payment System
account (funded via Electronic Funds Transfer), and must agree to pay for
its services annually and on a recurring basis. The new feature reflected
in revised MCS sections 1520 and 1550, allowing EPOBOL customers to
prorate payments on a one-time basis to synchronize the payment

schedules for multiple services, was developed through an extensive

programming and planning effort based on feedback from business

customers who were managing large numbers of Post Office Boxes and

Caller Service numbers with a variety of different annual payment periods.

Most consumers and smaller business customers would not need to be

able to align their payment dates, since they do not have a large number

of Post Office Box or Caller Service accounts. Such customers may still

pay online with a credit card, without the need to set up the Enterprise

Payment System account that is required for EPOBOL. Additional

enhancements of Postal Service systems and capabilities are planned,

including upgrades designed to make it easier for all customers to manage

their Post Office Box and Caller Service accounts online.

8. Please refer to the proposed MCS changes to section 1505.9.2, the prices for Insurance.

    a. Please compare the Merchandise Coverage table with the revised Bulk Insurance provision and explain how the workpapers account for the differences between the existing Bulk Insurance table and the proposed Bulk Insurance provision, which applies a discounted rate to the Merchandise Coverage table.

    b. Please explain any impact attributed to the changes in the coverage breakpoints between the Bulk Insurance and Merchandise Coverage tables.

    c. If applicable, please file revised workpapers.

RESPONSE:

    a. The discount for Bulk Insurance had been $0.80 off the regular Merchandise Coverage prices since before Docket No. R2008-1. By identifying the discount as $0.80 off the Merchandise Coverage price (rather than having two tables, one with the regular Merchandise Coverage prices, and one that shows each price point reduced by $0.80) this classification change is intended to reduce the risk of error in updating the Bulk Insurance price table each time Merchandise Coverage prices change.

    b. There is no impact because there is no change to the coverage breakpoints between Bulk Insurance and Merchandise Coverage.

    c. Because there is no impact, there is no need to revise the workpapers.

9. Please refer to tab "K-1 Address Management Services" in Excel file "3Q16
Special Services.xlsx." Please identify the subproduct with transactions and
revenues within "Official National Zone Charts" in row 142.

RESPONSE:

The values in row 142 are the transactions and revenue related to the

annual fee for the International Service Center (ISC) Zone Charts. That annual

fee appears on the last page of Mail Classification Schedule section 2315, which

concerns Outbound Priority Mail International. The transactions and revenue

related to the annual fee for the ISC Zone Charts concern a competitive product

and were included in Excel file "3Q16 Special Services.xlsx" in error. Thus, the

Postal Service will remove data for the transactions and revenue related to the

annual fee for the ISC Zone Charts from the workpapers in this docket. The

Postal Service anticipates making further revisions to the Special Services

workpapers in response to question 4 of this CHIR, and will undertake to submit

amended workpapers when the response to question 4 is completed.